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## STRATEGY RESEARCH PROJECT

### ECONOMIC SANCTIONS: ARE THEY A VIABLE INSTRUMENT OF POWER?

BY

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### Ecomomic Sanctions: Are They A Viable Instrument Of Power?

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#### Abstract

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This research paper explores and assesses the effectiveness and appropriateness of economic sanctions as an instrument of national power with specific focus on the imposition of economic sanctions on Iraq. This paper has two objectives. The first is to identify the general principles and characteristics common to most uses of economic sanctions. Some significant examples of the last half century are reviewed -- to include the means, the circumstances conductive to effectiveness, and factors limiting effectiveness. The second objective is to evaluate the use of economic sanctions by the United States and its allies against Iraq after Kuwait was attacked and occupied in August 1990 by tracing the process imposing sanctions, their immediate impact upon the Iraqi economy and upon Iraq's political decision-making process, and, finally Iraq's ability to reduce the impact.

In the early morning hours of 2 August 1990, an Iraqi ground, air, and naval force of some 140,000 men launched a blitzkrieg attack against the small, peaceful country of Kuwait. Nearly every state in the United Nations was shocked and outraged by the Iraqi aggression. Iraq's military incursion presented a severe global economic challenge by consolidating control over vast oil reserves. Further, Iraq's invasion violated one of the entrenched norms of the international community -- a prohibition against forcible acquisition of territory.

Within hours after the invasion, President Bush called for "the immediate and unconditional withdrawal of all Iraqi forces." Simultaneously, treasury official froze Iraqi and Kuwaiti assets in the United States and prohibited further transactions with the aggressor. The U.S. quickly took the lead in organizing an international response, which initially took the form of stringent economic sanctions against Iraq.

Rooted in mercantilism and economic warfare, the peacetime strategy of weakening or inhibiting the growth of an adversary by controlling trade is certainly not a recent invention. The United States today, like powerful states of the sixteenth through nineteenth centuries, is a principal actor in world politics. The U.S. is continuously concerned about potentially hostile adversaries and threats to its national interest.<sup>3</sup>

In response to such incidents as Iraq's invasion of Kuwait, an increasing number of scholars have directed their attention to changing world politics. It is a reflection of our times. The current international system appears to be in a dangerous state

of flux. Regional conflicts are more prevalent; international organizations seem weaker; the world economy seems more volatile; and the significant proliferation of weapons of mass destruction and their means of delivery rapidly continues. U.S. requirements for means to maintain national power are critical determinants in selections among alternative strategies.<sup>4</sup>

The purpose of this research paper is to explore and assess the effectiveness and appropriateness of economic sanctions as an instrument of national power with specific focus on the imposition of economic sanctions on Iraq. A definition of the term "economic sanctions" is offered followed by historical examples of their use and results. The paper will then transition to an in depth critical analysis and assessment of economic sanctions imposed against Iraq in August 1990. The specific sanctions imposed, their immediate impact upon the Iraqi economy, and Iraq's ability to mitigate the impact will be explored in detail. The paper will conclude with observations regarding economic sanctions offering a viable strategy for the United States to attain its national objectives.

#### Concept and Background

Definition: The term "economic sanctions" is defined as deliberate government actions to inflict economic deprivation on a target state or society through the limitation or cessation of customary economic relations. These involve trade and financial

measures, including controls upon exports to the target, restrictions upon imports from the target, and interruptions of official or commercial finance, such as cutting off aid or freezing assets.<sup>5</sup>

Historical Evolution: The first recorded case of trade sanctions occurred in 432 B.C. when the Athenian leader Pericles imposed sanctions on Megara. Megara then appealed to Sparta for aid, which triggered the Peloponnesian War.<sup>6</sup> An early example of U.S. trade sanctions occurred in 1807 when President Jefferson embargoed all U.S. trade with Europe to protest British attacks on U.S. merchant ships.<sup>7</sup> In modern times, sanctions have been used many times in both major and minor efforts to change targeted nations' behavior.<sup>8</sup>

Historically, international economic sanctions have been an increasingly conspicuous feature of international affairs since the end of World War I, owing largely perhaps to the world's growing economic interdependence and the decreasing legitimacy of the use of force. Woodrow Wilson proclaimed economic boycotts as a means to protect national interest and to avoid armed conflict:

A nation that is boycotted is a nation that is in sight of surrender. Apply this economic, peaceful, silent, deadly remedy and there will be no need for force. It is a terrible remedy. It does not cost a life outside the nation boycotted, but it brings a pressure upon the nation which, in my judgement, no modern nation could resist.

Though there have been many instances of the imposition of

economic sanctions as part of an overall war effort, we are concerned here with economic sanctions as an alternative to military force, rather than a complement to it. The fundamental question most often raised about economic sanctions is... "Do they work?" This question in turn raises other analytic questions about the purposes, practices, and consequences of sanctions.

Despite the evident growing popularity of sanctions as instruments of foreign policy, the traditional scholarly perception of sanctions is that they are remarkably unsuccessful in achieving their stated policy objectives. Thus, for example, Hufbauer, Schott, and Elliott (1990) in a study of 115 sanction episodes conclude that only one-third of those sanctions were successful in producing the desired policy responses in the target countries. Why then are sanctions still used when the prevailing wisdom is that they are relatively ineffective?

Most economists who have studied economic sanctions believe that sanctions are ineffective because they do not impose significant economic damage on the target nation. One may argue that imposing sanctions is the sanctioning governments, response to fulfill the public demand to be "doing something" about a foreign government's violation of behavioral norms. So sanctions are symbolic—they offer a way of making ourselves feel that we are doing something substantive about a serious problem without doing anything at all. Former Secretary of Defense James R. Schlesinger may have agreed with this "doing something" argument. He once remarked with regard to the embargo on grain

shipments to the Soviet Union that sanctions "appeal to Americans because they seem to be a substitute for the stiffer measures that may be required." 14

#### Conditions for Effective Sanctions

Makio Miyagawa, Japanese expert on economic sanctions, postulates seven general conditions for effective sanctions.

These are:

Dependence on Trade. The greater the importance of foreign trade in the target's domestic economy, the greater the probable economic impact.

Size of Economy. The smaller the target's gross national product (GNP), the more effective the sanctions are likely to be. This hypothesis derives from the probability that a small economic surplus must limit the target's flexibility in the allocation of resources aimed at resisting the sanctions.

Trade Partners. The more closely interwoven the target's trade has been with specific partners, the more vulnerable it is should those partners join in the sanctions.

Availability of Substitutes. The more difficult it is for the target to find alternative foreign sources of supply, alternative foreign markets or substitutes (domestic or foreign) for the goods covered by the sanctions, the more effective the sanctions will be.

Foreign Exchange Reserves. The smaller the target's foreign

exchange reserves, the harder that nation is likely to find it to resist economic sanctions. Countries with very scanty foreign exchange reserves necessarily find themselves strangled by the lack of any capacity to buy what they need.

Monitoring. The more easily monitored, or even controlled, the target's trade relations with other countries, the more effectively the sanctions should work.

Economic System. State-trading countries are less vulnerable to economic sanctions than those in which foreign trade is carried on by the private sector.

#### Case Studies

The following three cases are examples of the implementation of economic sanctions and their consequences.

#### 1939-41: USA, UK and Others Against Japan

To limit the growing political and economic influence of Japan in East Asia and the West Pacific, in 1939 the League of Nations endorsed the use of economic sanctions. The essential factor in calculating the effectiveness of this blockade was Japan's enormous dependence upon overseas supplies of raw materials.

To maintain its political and military standing as a great power, Japan needed industrial strength, which resources from within her main islands alone could not give. Japan lacked

steel, rubber, tin, and above all, oil. At that time 80 percent of Japan's oil came from the United States. By mid-September 1941, the U.S. and Britain had, for all practical purposes, brought trade with Japan to a virtual standstill. 6

Nevertheless, these coercive economic measures failed to dissuade Japan from resorting to force. Rather they prompted Japan to resort to force in order to secure alternate sources of supply of raw materials, particularly oil. Historians agree that the embargo was the direct cause for Japan's attack on Pearl Harbor. Author Robert J.C. Butow says the embargo produced feelings in Japan "similar to those that grip a man when a noose is placed around his neck."

#### 1960: USA Against Cuba

Castro came to power in the late 1950s. In January 1960 several American landholdings were expropriated by the Cuban government. Angered by the expropriations and also threatened with the rise of Communism in Cuba, the U.S. government initiated economic sanctions on Cuba.

The embargo began with the U.S. limiting the import of sugar, Cuba's main export to the U.S. The Cuban government quickly turned to the Soviet Union to barter sugar for Soviet goods. The U.S. froze Cuban assets in banks under U.S. jurisdiction. Cuba negotiated large loans from the Soviet Union. Measures and counter measures escalated. Finally, the U.S. embargoed all exports to Cuba other than medical goods and

foodstuffs. By early 1962 sea and air links were severed.

Despite repeated attempts to mobilize a collective embargo by the Organization of American States (OAS), the U.S. did not succeed in this objective until July 1964. 19

Cuba's economy was far smaller than that of the United States. Trade for 50 years prior to the embargo had been concentrated with one neighbor, the United States. The U.S. took more than 60 per cent of Cuba's exports and supplied over 70 per cent of her imports. Sugar, accounted for approximately 80 per cent of her export earnings. Cuba's entire economic structure had been dependent upon American equipment. Lack of spare parts caused several factories to close. Cuba's foreign exchange dropped causing a considerable decline in her trade with Europe. As for the U.S. and the OAS, their economy was almost unaffected. Other sugar suppliers stood ready to fill the quota.

In this example of economic sanctions, nearly all the conditions which are thought to increase their efficacy were satisfied. However, the sanctions did not achieve their desired effect—a change in Cuban leadership.

#### 1979: U.S. and Its Allies Against Iran

Economic sanctions were imposed on Iran 4 November 1979 when the U.S. Embassy in Tehran was attacked and occupied by a group of armed Iranian students. A ban on Iranian oil imports, halting military parts shipments to Iran, and freezing all of Iran's official assets in the U.S. and in foreign branches or

subsidiaries of U.S. banks quickly followed. After much negotiation, the United States finally gained support from its allies. Soon after, the sanctions began to take their toll. For example, frozen Iranian assets estimated at \$12 billion significantly reduced Iran's purchasing power. Since the U.S. had been buying 600,000 barrels a day, worth nearly \$13.8 million a day, the ban on imports of Iranian oil drastically reduced Iran's foreign exchange reserves.<sup>21</sup> This made traders reluctant to sell goods or services to Iran. Eventually Iran's resolve weakened, thereby contributing to the release of the hostages.

# UN Sanctions Against Iraq 1990 An In Depth Review

Imposing economic sanctions is complex. Sanctions requires development of a sophisticated organization to plan, direct, and implement. They must be coordinated with military operations and the activities of allies. Experts must be recruited or trained-including strategists, economists, trade and commodity specialists, diplomats, managers, and a considerable force of operatives to carry out the program.<sup>22</sup> Such was the case for the United Nations against Iraq in 1990.

Alarmed by the invasion, the United Nations Security Council responded with unprecedented swiftness and imposed full-scale economic sanctions against Iraq. The complete economic embargo

of Iraq was agreed to by the UN Security Council less than a week following the invasion. The international community's explicit objectives were set forth in the National Strategic Estimate of the Situation: 23 Iraq's unconditional withdrawal from Kuwait, restoration of Kuwait's legitimate government, protection of U.S. citizens, and assurance of regional security and stability.

To accomplish these objectives, the following sanctions were imposed: UN member states prevented the imports of all commodities and products from Iraq or Iraqi-occupied Kuwait; the sale or supply to Iraq or Kuwait of any commodities or products other than "supplies intended strictly for medical purposes and, in humanitarian circumstances, foodstuffs"; the transshipment of all commodities and products to Iraq or Kuwait; and the provision of any loans or any other financial assistance, again except for payments for medicine and food.<sup>24</sup>

Finally, the Council decided that all member States would deny permission to any aircraft to take off from their territory if the aircraft carried any cargo to or from Iraq or Kuwait other than food in humanitarian circumstances.<sup>25</sup>

How would these apparently stringent sanctions impact the Iraqi economy?

Dependence on Trade. Iraq is extremely dependent on one commodity, oil, for 95 percent of its exports. However Iraq depends on importing 80 percent of its food supplies. This large requirement for food imports coupled with other required imports accounts for thirty percent of its GNP. In contrast, Japan, a

nation extremely sensitive to its high dependence on imports, imported the equivalent of 10% of its GNP and less than 50% of its food in 1990.<sup>26</sup>

Iraq's industry also relied heavily upon imported spare parts and raw materials (other than oil). The major suppliers of those materials had been the USA, the EC countries, Japan, Australia, and Canada, all of which backed the embargo.

Size of Economy. Iraq's GNP is comparatively small. The average Iraqi per capita GNP and average per capita income is about \$2,000. That is very poor by American standards, where the average is up around \$15,000. The Iraqi people are economically comparable to those of Mexico.<sup>27</sup> GNP for Iraq and Kuwait in 1989 was only about \$74 billion and \$24 billion, respectively, making total production available to Saddam Hussein some \$98 billion at most, whereas the GNP of the United States alone was \$5,201 billion.<sup>28</sup> Iraq is a one-crop economy--oil. It has very little flexibility. Iraq does not have the possibilities of economic alternatives that other countries may have, especially an advanced industrial nation.<sup>29</sup>

Trade Partners. Iraq shares land borders with Kuwait and five other countries. Syria, to the north-west, had long been Iraq's enemy. Iran, to the east, had also recently been Iraq's bitter military rival. Turkey, in the north, imported 60 percent of its oil from Iraq. Although earning \$400 million a year from the pipeline, after talks with the U.S. Turkey decided to stop piping Iraqi oil through its territory. Saudi Arabia, to the

south, with U.S. forces providing defensive cover, joined in the embargo. Jordan, to the west, traditionally regarded Iraq as its protector against Israel and has maintained close ties with Iraq. However, western navies patrolled off the coast of Jordan to limit possible loopholes.

Additionally, Iraqi's geography is quite unfavorable for getting goods in. While they could rely on some small-scale smuggling across the Turkish border and the Iranian border, and possibly through Jordan, those are not efficient routes for the huge tonnages they require. In short, their access routes are very poor.<sup>30</sup>

Foreign Exchange Reserves. Iraq's foreign exchange reserves were fairly small. Its foreign debt is estimated to have amounted to over \$80 billion during the eight-year Gulf War with Iran, and its recent defense spending had been mounting to as much as \$15 billion a year. As of December 1990, its total gold and foreign exchange reserves amounted to less than \$9.5 billion (including \$1 billion in gold and \$2 billion in hard currency looted, from the Kuwaiti Central Bank). Although Iraq and Kuwait had overseas assets amounting to \$4 billion and \$100 billion, respectively, all of those assets were frozen.<sup>31</sup>

Monitoring. The Persian Gulf, the Red Sea, and the Mediterranean Sea was full of western naval vessels patrolling to prevent any leakage.<sup>32</sup>

Effects of Sanctions on Iraq. At the technical level, economic sanctions and the embargo against Iraq put Saddam

Hussein on notice that he was isolated from the world community. Through his reckless aggression, he had dealt a serious blow to his country's economy. He would soon realize that the blockade would eliminate any hope Baghdad had of cashing in on higher oil prices from its seizure of Kuwaiti oil fields.<sup>33</sup>

In this century, whenever through economic sanctions the GNP of any nation has been affected by as much as 3 percent, that nation has changed its policy in hope of gaining release from the sanctions. Two examples of instances where the large economic costs created by sanctions were generally judged to be effective in achieving policy goals were the UN sanctions against Rhodesia 1966 (18%) and the U.S. sanctions against Iran in 1979 (3.8%). Prior to the sanctions of Rhodesia, the most impact the U.S. has had on the GNP of any country through sanctions was 16 percent. In the case of Iraq, in the first four months the sanctions reduced Iraq's GNP 50%.

The economic sanctions imposed by the UN effectively shut off Iraq's exports and reduced imports to less than 10 percent of their pre-invasion level. More than 90 percent of Iraq's imports and 97 percent of Iraq's exports were shut off. All sectors of the Iraqi economy felt the pinch of sanctions. Industry was the hardest hit. Industrial production in Iraq declined by 40 percent within the first three months.

The flow of spare parts and military supplies from the Soviet Union and France, Iraq's major suppliers, stopped.
Without spare parts, imported inputs, and foreign technicians,

Iraq could not operate most of the expensive infrastructure that it purchased in the oil boom years of the 1960's and 1970's.

Iraq's foreign exchange reserves diminished drastically, hindering its ability to purchase foreign goods from smugglers. The embargo deprived Baghdad of an estimated \$1.5 billion of foreign exchange earnings monthly. Food prices skyrocketed. For example, sugar purchased on the open market at the official exchange rate went from \$32 per 50-kilogram bag in August 1990 to \$580 per bag in four months. Many other food items rose as much as 700 percent. Section 2015

The embargo increased the economic hardships facing the average Iraqi. Evidence that sanctions were hurting the Iraqi people began to surface as early as three months after they were imposed. Reports confirmed that Baghdad had cut civilian rations for the second time since sanctions began, while announcing increases in rations for military personnel and their families. In order to supplement their rations, Iraqi citizens had to turn to the black market, where limited goods could sometimes be purchased.

On the military side, the sanctions quickly began to erode Iraq's fighting potential. Without spare parts, Iraq could not fly many aircraft, replace its artillery, or maintain its air defenses and tanks. This degradation began to diminish Iraq's ability to defend its strategic assets from air attack and to reduce its ability to conduct similar attacks on its neighbors.

Former Director of the Central Intelligence Agency,

expressed his optimism on the effects of the sanctions as he spoke before Congress in December 1990 regarding longer-term effects of the sanctions:

Besides the many effects sanctions are inflicting on Iraq now, continued sanctions will result in: The virtual depletion of Iraq's foreign exchange reserves by spring. Multiplying economic problems as Iraq transfers more resources to the military The shutdown of nearly all but energy-related and military industries by summer. Increased inflation combined with reduced rations. A severe reduction in basic commodities, and a reduction in the grain supply by more than a half. 41

Lastly, the U.S. assembled an impressive coalition in support of its economic sanctions. In time, this international cooperation garnered strong public support; it seemed both diplomatically and politically sound. Saddam Hussein thus faced an apparently formidable ordeal: the most comprehensive economic sanctions ever assembled, to be withstood by a very vulnerable target, as set forth in Miyagawa's seven conditions. Although almost every previous embargo in modern history had its loopholes and leaks, the economic noose around Iraq seemed at first a ring of iron.

Odds for success. In theory, the odds for the success of these sanctions seemed far higher than previous cases studied since the First World War for three reasons. First, on no previous occasion had sanctions attracted the degree of support that they enjoyed in the Iraq case. Second, never had they been so comprehensive in their coverage. Third, never had they

imposed such enormous costs on a target country.

If the U.S. led embargo was proving to be so successful in the early months of its imposition, and if the U.S. was able to assemble such a unified coalition to enforce the sanctions against Iraq, why then didn't the United States wait indefinitely for the sanctions to work?

The primary international goal of the sanctions was getting Saddam Hussein out of Kuwait. To work, these sanctions had to cause Saddam to recall his invading force. At hearings before the U.S. Senate Committee on Foreign Relations, Senator Sarbanes asked a key question:

Suppose a year from now Saddam is still in Kuwait, but his economy has absolutely deteriorated. Is Saddam a winner or a loser on that scenario?<sup>42</sup>

The U.S. certainly understood there were costs to waiting. There could be no guarantee of success. But the two key questions discussed in Congress in January 1990 were whether the costs of waiting would be higher than the economic and the human costs of going to war and whether the economic destruction of Saddam Hussein and his regime, through the sanctions, would contribute to or detract from regional stability.<sup>43</sup>

History also offered hope that the embargo could generate enough dissatisfaction to threaten Saddam's stranglehold as the ruling tyrant in Iraq. However, the U.S. leadership thought otherwise.

Use of military force. The President and some members of

Congress had come to the conclusion that sanctions alone were not going to be enough to compel an Iraqi withdrawal from Kuwait. 44

Former Secretary of Defense Richard Cheney conceded:

In terms of trying to assess whether or not that will happen, we have to look at several things. We have to look at circumstances inside Iraq. There are different pieces of evidence. But I think the overwhelming conclusion I reach in assessing the situation is that we do not have an indefinite period of time to wait for sanctions to produce the desired results.<sup>45</sup>

Senator Byrd echoed Mr. Cheney:

I do not believe, nor have I ever believed, that the sanctions, of and in themselves, are going to bring Saddam Hussien to his knees and get him out of Kuwait. I have never believed that. 46

Imposing effective sanctions on a totalitarian nation is difficult. It is the type of state that is best suited to weathering an embargo. Sanctions work by producing pain. The odds overwhelmingly favored Saddam's withstanding the embargo, because he would callously inflict pain on Kuwaiti and Iraqi civilians rather than bow to economic pressure. Even today, more than five years later, the world is constantly reminded of the suffering Iraqi citizens. Citing the World Food Program, the Humanitarian Authoritarian Affairs Department in the United Nations has revealed that four million Iraqis, including 2.4 million children today under the age of five, are threatened by malnutrition.

Authoritarian regimes are known to have a significant

ability to withstand economic hardship, since popular discontent is easily stifled or disregarded. Ten years of war and bloodshed with Iran did not dissuade Saddam from his ways, and the U.S. discovered a 6-month or year embargo would not succeed where the Ayatollah's armies failed.

Time is the most critical factor in the use of sanctions. Reports indicated that Saddam believed time was on his side. This troubling view was reinforced by his continued efforts to find ways around the sanctions and his attempts to break the international consensus against him. Saddam believed that the U.S. and its allies did not have the staying power to see the crisis through to a successful conclusion. He was betting that the lack of results would lead to a consensus for withdrawal of the sanctions. And with every day of occupation, the CIA continuously confirmed the Iraqi army's steady looting and destruction of Kuwait.

Saddam, without a doubt, maintained a command economy. The U.S. had observed Iraq during the Iran-Iraq War, when he was clearly able to divert resources from the civilian side of the economy to the military side. There was no question about his ability to do it. Saddam indisputably had the capacity to operate on a subsistence basis. The U.S. clearly was successful in closing off the flow of spare parts and military supplies. But with respect to food and agriculture, the picture is somewhat murkier. Analysis of the situation revealed Saddam had the capacity to significantly increase his agricultural

expansion.

Iraq is not a barren country by any means. The valley of the Tigris and the Euphrates offers good farmland. For example, on three occasions in the last 25 years Iraqi farmers doubled from one year to the next the total amount of cereal production in country.<sup>51</sup>

Further, we must acknowledge that sanctions did not impose pain only on the target country, Iraq. They imposed pain on everybody who had been doing business with Iraq. For example, when the pipeline from Iraq across Turkey was closed, Turkey lost benefits and earnings of having operated that pipeline. Some 60 percent of its crude oil came from Iraq, and it earned \$5 million a day transhipping Iraqi crude. This represented a significant loss to a nation that obviously was very important to the U.S. and a key partner in the coalition.

When the trade between Iraq and Kuwait, on the one hand, and Jordan, a resource poor country, on the other was closed, approximately 50 percent of the GNP of Jordan was affected. In the first five months Egypt and Czechoslovakia lost about \$1.5 billion in trade. Likewise Romania and Poland both lost about 20 percent of their oil imports from Iraq to a tune of \$2 billion. They had to buy crude on the open market at much higher prices, while they faced on-going food shortages. 52

Finally, the emerging democracies of Eastern Europe, such as Bulgaria and small, poorer nations like Bangladesh, Morocco, Nepal, Niger, Senegal, Sierra, Leone, and Zaire -- those least

able to absorb the shock -- found recovery almost impossible.<sup>53</sup>
The list goes on -- India, Pakistan, South Korea, the
Philippines, and others were also affected variously by the loss
of direct trade with Iraq. Without a doubt, the coalition was
strongly committed. However, this evidence shows that time can
eventually work against a complex multinational coalition,
especially its weaker links.

To highlight the U.S. dilemma, former Secretary of State Kissinger declared to Congress that... "a choice must be made between relying on sanctions or, as a last resort, on military force." History now shows that the U.S. did not wait to see if the use of sanctions alone would oust Saddam from Kuwait. Perhaps the costs of waiting outweighed the costs of military action.

#### Conclusion

It seems at times that sanctions are implemented only as stop-gap measures allowing more time for military and political planning to mature. Such "impromptu" strategy can be compared to the "neutron bomb" effect<sup>55</sup>--namely, destroying the soft targets in a nation's civilian economy while leaving the hard structures of the regime intact (or worse, enriching the leadership against whom the sanctions are directed).

This paper addressed several principles and characteristics of economic sanctions and the factors limiting their

effectiveness. Sanctions on Iraq serves as a good example to broadly illustrate the problems the U.S. faces in placing confidence in this means of attaining future U.S. objectives.

In the final analysis, sanctions are difficult to implement, sustain, and predict the outcome. Detailed comparison of Mr. Miyagawa's seven conditions that existed in the Iraqi economy, concluded that all indicators pointed to a positive outcome. Even Congress was convinced that the odds of success were far higher in the Iraqi case than in past cases. In the end the sanctions were not effective because they could not produce their stated objective in a timely manner. The U.S. saw Saddam cleverly integrating psychological and political warfare into his military strategy in order to forestall the U.S.

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- 45. Testimony by Mr. Richard Cheney. Congressional Record S. Hrg. 101-1071. p.647.
- 46. Testimony by Mr. Byrd. December 5, 1990. <u>Congressional Record</u> S.Hrg.101-1071. p.729.
- 47. Ayubi, p.3.
- 48. Foreign Broadcast Information Service Daily Report, <u>Near East</u> and <u>South Asia</u>. November 21, 1995. p.41.
- 49. Congressional Record dtd. January 10, 1991. p. S112.

- 50. Comments made by Mr. Les Aspin, Chairman, Committee on Foreign Affairs, House of Representatives. <u>Congressional Record</u> dtd. January 10, 1991. Number 6, p.H122.
- 51. Ibid. p. S108-118.
- 52. Ibid. p. S116.
- 53. Statement from General Colin Powell, USA, Chairman, Joint Chiefs of Staff. Excerpt from Crises in the Persian Gulf Region. S. Hrg. 101-1071, p.659.
- 54. Statement from Secretary Kissinger. S.Hrg. 101-1071. P.728.
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